

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

-----X
In re: : Chapter 9
: :
CITY OF DETROIT, MICHIGAN, : Case No. 13-53846
: :
Debtor. : Hon. Thomas J. Tucker
: :
-----X

CERTAIN PREFERENCE DEFENDANTS' STATUS CONFERENCE
REPORT

The undersigned Defendants in City of Detroit Preference Actions (the “**Defendants**”), for their Certain Preference Defendants’ Status Conference Report, state as follows:

1. The City of Detroit’s Status Report with Regard to Preference Actions (Doc. 11137) states in Paragraph 15 in pertinent part:

As the City believes that the process established by the Procedures Order has been very effective so far in facilitating the resolution of the Preference Actions without the need for costly and time consuming litigation should provide a further opportunity for the process the Court established to proceed. The City therefore, believes that the terms and conditions of the Procedures Order should not be modified. The City is cautiously optimistic that a further period of time without the distraction and costs of formal discovery, litigation and/or mediation will facilitate the resolution of many of the remaining open Preference Actions.

2. The Defendants agree that the current pause in litigation has been helpful for settlement negotiations, with certain exceptions. Therefore the Defendants request that the Procedures Order be modified as follows:

(a) the modified Procedures Order will be in effect for a period of 90 days from entry of the Procedures Order (the “**Second Period**”);

(b) The City should be required to respond to a Defendant’s settlement communication within 21 days of the communication, and for any failure of the City to respond within the 21 days, the Second Period for such Defendant shall be extended by the time of the delay in responding beyond the 21 days;

(c) settlement communications should remain protected by FRE 408 and not be filed with the Court; and

(d) Any Defendant believing that a dispute as to the application of law to undisputed facts is hindering settlement discussions can file a motion for summary judgment based on those undisputed facts, within 42 days from entry of the Procedures Order for the Second Period, and have those motions determined notwithstanding the pause of litigation. Non-exclusive examples of such disputes include:

(i) the defendant was not on the list of parties against whom the City reserved the right under the City's plan to bring preference or other causes of action;

(ii) the challenged transfers were on an assumed executory contract; and

(iii) the defendant was a recipient of a critical vendor letter.

3. For any Defendants not filing such a summary judgment motion there would be no litigation during the Second Period.

4. The Defendants also requests such further relief as may be proper and just.

Respectfully Submitted,

| | |
|--|--|
| <p>HONIGMAN MILLER SCHWARTZ AND COHN LLP</p> <p><i>Attorneys for Defendants CW Professional Services, LLC, Compuware Corporation, and Sigma Associates, LLC</i></p> <p>By: <u>/s/ Judy B. Calton</u> Judy B. Calton (P38733) 660 Woodward Avenue, Suite 2290 Detroit, MI 48226 (313) 465-7344 jcalton@honigman.com</p> | <p>THE DRAGICH LAW FIRM</p> <p><i>Attorneys for Defendants Interstate Trucksource Inc. and Oracle Corporation</i></p> <p>By: <u>/s/ Amanda C. Vintevoghel</u> Amanda Vintevoghel (P76567) 17000 Kercheval Suite 210 Grosse Pointe, MI 48230 (313) 886-4550 avintevoghel@Dragichlaw.com</p> |
|--|--|

| | |
|--|--|
| <p>CAVANAUGH & QUESADA, PLC <i>Attorneys for Defendants</i> <i>Blue Star, Inc.</i> <i>Clark's Construction Co</i> <i>E. L. Bailey Company, Inc.</i> <i>KEO and Associates, Inc.</i> <i>North-West Trading Co.</i> <i>Waterworks Systems &</i> <i>Equipment, Inc.</i></p> <p>By: <u>/s/ Todd W. Grant</u> Peter J. Cavanaugh (P53537) Todd W. Grant (P45531) 1027 S. Washington Ave. Suite A Royal Oak, MI 48067 (248) 543-8320 tgrant@cqlawfirm.com</p> | <p>GOLD LANGE AND MAJOROS, P.C. <i>Attorneys for Defendant's Binkelman</i> <i>Corp. and Federal Pipe & Supply, Inc.</i></p> <p>By: <u>/s/ Stuart A. Gold</u> Stuart A. Gold (P27766) 24901 Northwestern Hwy. Suite 444 Southfield, MI 48075 (248) 350-8220 sgold@glmipc.com</p> |
| <p>BUTZEL LONG, a professional Corporation <i>Attorneys for Defendants:</i> <i>L. D'Agostini & Sons, Inc.</i> <i>Fort Wayne Contracting, Inc.</i> <i>Motor City Electric Co.</i> <i>CE Pollard Co.</i> <i>Imperial Construction Co.</i> <i>Detroit Thermal, LLC</i></p> <p>By: <u>/s/ Max J. Newman</u> Max J. Newman (P51483) 41000 Woodward Ave. Bloomfield Hills, MI 48304 (248) 258-2907 newman@butzel.com</p> <p>Dated: May 16, 2016</p> | <p>CLARK, HILL PLC <i>Attorneys for Colasanti Corporation</i></p> <p>By: <u>/s/ Edward J. Hood</u> Edward J. Hood (P42953) 500 Woodward Avenue Suite 3500 Detroit, MI 48226 (313) 965-8591 ehood@clarkhill.com</p> |

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

| | | |
|----------------------------|---|-----------------------|
| -----X | : | |
| In re: | : | Chapter 9 |
| | : | |
| | : | Case No. 13-53846 |
| CITY OF DETROIT, MICHIGAN, | : | |
| | : | Hon. Thomas J. Tucker |
| Debtor. | : | |
| -----X | : | |

CERTIFICATE OF SERVICE

I hereby certify that on May 16, 2016 a *Certain Preference Defendants' Status Conference Report* was electronically filed with the Clerk of the Court using the ECF system, and will send notification of such filing to all ECF participants registered in this matter.

Respectfully Submitted,

HONIGMAN MILLER SCHWARTZ AND
COHN LLP

*Attorneys for Defendants
CW Professional Services, LLC,
Compuware Corporation, and
Sigma Associates, LLC*

By: /s/ Judy B. Calton
Judy B. Calton (P38733)
660 Woodward Avenue
Suite 2290
(313) 886-4550
Detroit, MI 48226
(313) 465-7344
jcalton@honigman.com

Dated: May 16, 2016